



Consolidated Budget and Activity Plan

Proposal for Year 2022





Macroeconomic environment

- The current budget proposal includes the effects generated by Covid-19;
- RON will continue a slight depreciation trend against EUR, due to further deterioration of the current account deficit;
- We expect overall inflation around 10% in 2022;
- Minimum wage increase starting with January 2022.

Restaurant Sales

- We estimate an increase in total sales of 33% versus previous year. Starting with Q2, gradual recovery is considered, Q1 continuing being affected by restrictions imposed by the state and by local authorities due to pandemic situation.
- The delivery will continue to have a significant weight in total sales of around 27%.

Restaurant Operational Expenses

- Food and Material cost: inflationary increase in food and material costs has been covered by the increase in prices within the year and, as a result, the weight of food and material costs in net sales is almost in line with the previous year.
- Cost of labor will be calibrated in order to match the ramp-up of the sales throughout of year.

G&A expenses

- The weight of normalized G&A expenses in total sales is lower than 2021, due to inelasticity of these costs in relation with activity volume increase.

Development Plan

- The development plan will focus on the opening of 18 restaurants (9 KFC Romania, 2 KFC Italy, 4 Pizza Hut (both Fast Casual Delivery and Express stores) and 3 Taco Bell), with an estimated capex of approximately EUR 15.5mn.
- Store remodeling and digital solutions' implementation are assumed around EUR 4.5mn, these being part of Yum! deal negotiated.
- In 2022, the Group will continue to focus on sustainability and, mid this year, a new Sustainability Report for 2020 and 2021 will be published.

The budget has been approved by Board of Directors and this will be discussed in Annual General Meeting on 28th of April 2022.

All the assumptions mentioned above are taking into consideration only the current evolution of the Covid-19 pandemic, based on information available at this moment. We cannot anticipate accurately the further evolution of the pandemic; however, we are taking all actions to respond promptly to any such evolution and revise our plans accordingly.



| Indicator | Budget 2022 | | Actual 2021 | | Budget 2022 vs Actual 2021 |
|------------------------------------|-------------------|---------------|----------------|---------------|----------------------------|
| | RON millions (mn) | % Sales | RON millions | % Sales | % |
| Restaurant Sales | 1,330.7 | 100.0% | 1,000.3 | 100.0% | 33.0% |
| Other Income | - | - | 2.6 | - | - |
| Food and Material | 440.4 | 33.1% | 327.6 | 32.8% | 34.4% |
| Restaurant Gross Margin | 890.4 | 66.9% | 675.3 | 67.5% | 31.9% |
| Restaurant Operational Expenses | 738.4 | 55.5% | 554.6 | 55.4% | 33.2% |
| Restaurant Operating Profit | 152.0 | 11.4% | 120.7 | 12.1% | 25.9% |
| G&A expenses | 55.9 | 4.2% | 47.3 | 4.7% | 18.3% |
| EBITDA (normalized) | 96.1 | 7.2% | 73.5 | 7.3% | 30.7% |

Liquidity and Debt

- **Cash position:** we estimate that the cash available at the end of this year will be around RON 90 millions
- **Bank Debt:** at the end of this year, the bank debt will be around RON 260 millions
- **Net Bank Debt:** as a result, the net bank debt will be around RON 170 millions
- Starting with March 21st, 2022, SFG shares will be included in the FTSE Russell Micro Cap index, covering Emerging and Developed markets.